

4. Questions to Ministers without notice - The Minister for Economic Development

The Deputy Bailiff:

We come now come to questions to Ministers without notice and the first period is for questions to the Minister for Economic Development.

4.1 Deputy G.C.L. Baudains:

Picking up on this Motoring Festival issue again, not long ago his department felt able to grant £200,000 for a film that may never be made yet the Motoring Festival is a proven event, as we know, bringing hundreds of visitors to Jersey each year which could be grown to be even bigger than the Battle of Flowers. What I am asking is will the Minister guarantee that there will be some funding for this event because, as I said previously, the club running it loses money and may not run it next year and if I may just briefly quote from the club. It says: "Why is it the organisers have to approach a department which shows little interest in any form of assistance other than giving brochures and by telephone call from Tourism the year we were refused funding to ask if they could have some programmes with lots of people asking about it. The response, of course, was that we did not have the funds to provide a programme. We could not manage to gain support for it."

Senator A.J.H. Maclean (The Minister for Economic Development):

I cannot, as I have said earlier on this morning, guarantee funding for an event until we see an investment and a business case. I am sure the Deputy and Members would expect that to be absolutely the case. We cannot hand out money willy-nilly until we know what we are handing it out to. With regard to the other comment that the Deputy made about the investment in the film, I think I should just correct that for not the first time. It was not an investment in a film. What we were investing in was £200,000 to investigate the potential of a film and the majority of that money is for on-Island spend into the local economy. I hope that clarifies that particular position but I will undertake for the Deputy to look at and work with the organisers of this event with the department to work up a business proposition to take to the T.D.F. for funding in the future.

Deputy G.C.L. Baudains:

Perhaps the Motoring Festival should create a film of their event and then his department would be more forthcoming.

4.2 The Connétable of St. John:

Can the Minister explain how our cousins from Guernsey can do air fares at £38 to the Island and we do not seem to be able to compete, albeit they are showing a picture of Sark with a Guernsey logo on it and I did not know there was a Guernsey airport in Sark but that said, they seem to be doing it for £38. Why can we not compete?

Senator A.J.H. Maclean:

I clearly do not know the details of the bit of paper that the Connétable has held up. All I would say is I would prefer to be in our position with our airport with our array of air routes across the whole of the U.K. and into Europe and a tourism season last year which showed, although it fell 1.9 per cent - the net figure was 1.7 per cent in number terms - stood up very well compared to many other jurisdictions, including areas very close to us in France which saw up to 30 per cent falls in visitor numbers last year. The economic climate is tough. We have to work hard. We have to be innovative and we have to look at new markets and I support that and I am very convinced that the Tourism Shadow Board that are now in place will bring forward a strategy that will capture many of those aspirations.

4.2.1 The Connétable of St. John:

Could the Minister tell us how we compared with Guernsey last year, please?

Senator A.J.H. Maclean:

It depends what measure the Connétable would like. Is it numbers he wants? Is it value to the economy? The 2 tourism industries are very different. What I would say to the Connétable, we have in the past in many other areas, and in tourism as well, sought ways in which we can collaborate in developing, for example, the European market which is to the benefit ... and further afield of a Channel Island brand. I think there is some future discussion that we should have in that area which is to the benefit of both islands and the Channel Islands as a whole.

4.3 Deputy G.P. Southern:

Does the Minister consider that the continued arrival of mining and oil companies registering an office in Jersey to enable it to book profits or dividends here constitutes acceptable or aggressive tax avoidance?

Senator A.J.H. Maclean:

The Deputy is simply not right and, in fact, he has been invited to the department to come and hear about the development of the cluster around mining, oil and gas that we have been developing from an inward investment perspective. These are real businesses. They are locating their headquarters here. They are carrying out functions. They have employed at least one, probably more, local people in areas like geology. It is a developing and valuable industry for the Island and I welcome it and I wish the Deputy would come forward and hear first-hand what is happening.

4.3.1 Deputy G.P. Southern:

If I may, a supplementary. What investigations has his department done into the potential for transfer pricing among the subsidiary companies and the Island, either through his department or through the Comptroller of Income Tax under Article 134A?

Senator A.J.H. Maclean:

These businesses... I do not know how many times to repeat, we are satisfied that they are legitimate businesses, that they are carrying out legitimate business within the confines of the law and they are operating in a perfectly legitimate way in terms of their international practices. I cannot add anything further to that.

4.4 Senator L.J. Farnham:

I wonder, just back to tourism briefly, if the Minister would just remind the Assembly if he has the figures to hand of how we are faring this year on staying leisure visitors to date and airport arrivals?

Senator A.J.H. Maclean:

I am almost reluctant to mention figures when we are only part way through the year. What I can say though, not wishing to put a curse on the figures, is that the year started quite promisingly. We were a couple of per cent up in the first quarter. I hope a contribution to that will have been our investment in Jersey Rugby Club. It is very important to get visitors to the Island in off-peak periods and that has been very successful. I hope this continues through the year. I know April was a very difficult month but however we are doing... as far as numbers are concerned, we must never forget that businesses are finding it tough. Margins are being squeezed. We are having to compete in an increasingly competitive world.

Senator L.J. Farnham:

Just may I ...

The Deputy Bailiff:

I give notice to Members we now have lots of Members wanting to ask questions which is not the position, so there will not be supplementary questions.

Senator L.J. Farnham:

I was just going to briefly ask if the Minister would circulate the half-yearly figures as soon as they are available.

The Deputy Bailiff:

Thank you. Deputy Trevor Pitman?

4.5 Deputy T.M. Pitman:

Would the Minister for Economic Development be willing to pledge some financial support to the forthcoming celebrations for Reform Day when the people of Jersey stormed the corrupt Jersey Court and would he help to make this a really good festival in the Royal Square, perhaps contribute to a statue or something of the brave people at the time? A great opportunity for tourism.

Senator A.J.H. Maclean:

I will commit to something positive when the Deputy himself stops attacking the Island, stops potentially threatening jobs here by making outrageous statements to the national media.

Deputy T.M. Pitman:

That is absolutely wrong to impugn me. I will have to call the Minister a liar if he does not review ... pull that back.

The Deputy Bailiff:

Deputy, kindly sit down. The Connétable of St. Helier

4.6 The Connétable of St. Helier:

Does the Minister agree with me that the retail and hospitality sector are a vital part of the Island's economy and that being the case, would he be willing to look at the possibility of his department assisting the Parish in defraying the costs of town centre management which is clearly something which is very important to both him and me?

Senator A.J.H. Maclean:

The Parish is extremely wealthy, as the Connétable well knows [**Laughter**] and I am surprised that he does not see the value in investing that small sum to further enhance the rates that he already benefits from.

4.7 Connétable D.W. Mezbourian of St. Lawrence:

Will the Minister commit to considering the reintroduction of a ferry link from Gorey to Barneville-Carteret for the summer of 2014?

Senator A.J.H. Maclean:

I think I would need a little bit more detail than that. Is the Connétable suggesting there is a commercial operator who wishes to bring forward such a venture and if so, we would need to see a business case, as I am sure the ports will, and see what support is for a venture of that nature if it is in the economic interest of the Island.

4.8 Deputy T.A. Vallois:

I asked the Minister for Economic Development a question almost a month ago via email so I wonder if he could answer it for me today. What authority does the Minister for Economic Development have to publish the Treasurer's comments?

Senator A.J.H. Maclean:

The Minister for Economic Development has an authority to publish details that he sees fit and if it is in the public interest, then it is only right that it should be published. I do not know exactly what it is that the Deputy is referring to.

4.9 Deputy M.R. Higgins:

Referring to the mining companies and others that are developing in the Island, the Minister mentioned that there is a geologist employed. Could he tell us how many people are employed and what their actual contribution is to the Island because obviously they are foreign-owned companies. They are not paying any tax in the Island so what is their direct contribution to the Island or indirect contribution?

Senator A.J.H. Maclean:

I think I have mentioned this before. I am very happy to get the up-to-date statistics for the Deputy and circulate them to him but it is about employment. These are real businesses operating in the Island, operating headquarters. The attraction of Jersey to these businesses is manifold, including geographical location and ease of access to where their mining operations are. It is very easy to get forward and backward from here and do business and also the other big attraction are the professional services that exist within Jersey to support their operations. I mentioned the geologist. There are also, of course, the ability to leverage the professional services provided and built-up over many years through financial services, accountancy and such like.

4.10 Deputy M. Tadier:

I should imagine we are grateful for the mining industry in Jersey, given the downturn in our local banana industry of late. Could I ask the Minister, given on page 22 of the Tourism Report, which makes interesting reading, he will note that the language students' on-Island spend exceeds most other visitor spends enormously and twice that almost of conference delegates. Could the Minister advise initially how reliable those statistics are and if they are correct, why are we not doing more to encourage language students to visit the Island, and that is page 22 for reference?

Senator A.J.H. Maclean:

Yes, well, the Deputy raises a good point. It is a niche market. There is capacity within the Island to be able to facilitate the courses necessary but there is an opportunity to develop further, in my view, languages and they do tend to be reasonably decent spenders, as, indeed, are some of the other key areas I have already mentioned this morning, the Rugby Club. One of the reasons for the investment there was the high spend per individual. We have to concentrate on targeting these niche markets, as the Deputy mentions, and, indeed, that is something that I would expect the Tourism Shadow Board who are working, as I have said, on a new tourism strategy together with industry, to come forward with the opportunities for these to be developed. More importantly, they are in very many cases year round and that is where we want to move to with tourism.

[12:00]

4.11 Deputy R.J. Rondel of St. Helier:

Would the Minister be able to give the Assembly an update on the ticket sales for the summer lottery and whether he believes it has been promoted as professionally and as successfully as it could be?

Senator A.J.H. Maclean:

That sounded like a loaded question. As far as I am concerned, I have seen recent reports in the media about the summer lottery. I can repeat to Members that in excess of a quarter of the allocation has been sold. I tend to look at that as a positive. We need to build on that. What I would hope is that Members and also the community in the Island would get behind the summer lottery. The summer lottery is there to provide much needed funds for charitable causes and if everybody can buy a ticket and we can get to the full sell-out, then we can raise a significant amount of additional money for charities. As far as promotion is concerned, we have been working quite closely with an agency to help promote the lottery. We have been working closely with the major retailers who are providing incentives to staff to encourage them to sell them more. I think we have got more to do otherwise we will not sell them all, but I am very hopeful that we will.

4.12 Deputy J.M. Maçon:

Can the Minister please explain with regards to the summer lottery the logic behind encouraging more people to participate in the lottery by making the tickets more expensive?

Senator A.J.H. Maclean:

Well, the logic could quite simply be that we need less people to participate if the tickets are more expensive because you have to sell less tickets. Quite simply, the numbers are there for all to see. The target is £500,000 in terms of the prize money. We need to sell the tickets, which are £10 apiece. We have sold about a quarter of them so far and the draw is not until the end of August, 30th August, I believe, is the actual draw date so there is still plenty of time left in order to sell these tickets and I certainly hope that the community get fully behind this lottery for the good causes that it will ultimately support.

4.13 Deputy J.A. Martin of St. Helier:

Would the Minister confirm that if say a small retailer takes lottery tickets and they are unsold, that they can go back to the centre or are they pursuing that if ... this is what I am told, smaller retailers will not take the tickets because if they are not sold, they are left hanging on to that money.

Senator A.J.H. Maclean:

That has always been the case with the lottery full stop, that whoever the suppliers are, they take the lottery tickets and they cannot return them after they have been taken. That is to protect, of course, the integrity of the draw. I have not heard specifically that there are small retailers not taking tickets. I think, if anything, they might be taking smaller amounts to minimise their risk but I cannot see that they would not be taking them, full stop. It just simply would not make sense. There are very attractive incentives, by the way, in place for retailers to sell lottery tickets.